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For the attention of the Director General.

15th September 2004

Dear 

**Ref: 2006 Postal Pricing Review.**

I have read with interest your proposals for the 2006 Postal Pricing Review and answer your questions as follows:

Q1: OK

Q2: Please ensure adequate public meetings that include briefings and at which you note comment.

Q3: Additional issues. The matter of prices and service delivery are "chicken & egg" issues. The best way to keep prices down is to increase business and not always to effect "cost and efficiency savings". The added cost of a postman making a second delivery to the same address is negligible.

From the public perspective, price is not always a major consideration, an extra penny here and there is insignificant, what is more important has to be the service - the knowledge that a letter will arrive the next morning in Guernsey, in other Channel Islands or on the UK mainland is vital.

From the postal business point of view, persuading the public to use the service has changed from "*send a letter rather than do nothing*", the Victorian message, to "send something by post rather than email or fax", and increasingly in the future: "send it by GPL rather than someone else".

Thus GPL needs to direct its concentration upon its links with its customer base. In the past this was post offices, but perhaps the future needs something different.

In your assessment of the business plan, I suggest you need to ask what GPL is going to do to address its communications with its customers.

Of course GPL (wrongly in my view) sees its customers as being bulk mailers and Royal Mail. They are fewer and more easily identified. However, my understanding of the discounts they are offered brings into doubt the profitability of their business. Turnover is not enough. All sectors must be profitable and big sectors bring greater risks.

So I would suggest that a major issue is for you to see how GPL is intending to drive business development, and how it intends to relate to its major customer base - 65,000 Islanders.

I find favour with the Royal Mail plans to change the charging system from weight to size and suggest the same approach be used here. A benefit from that may be the introduction of a delivery system that no longer encourages the containment of all post inside a 75mm rubber band, destroying the contents of all contents!

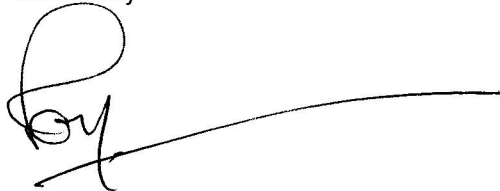
Q4: See Q3

Q5: OK

Q6: Please ensure the provision of public meetings.

Thank you for the opportunity to comment.

Sincerely

A handwritten signature in black ink, appearing to read 'Roy Bisson', with a long horizontal line extending to the right.

Roy Bisson